TRANSFORMATIONAL LEADERSHIP IN ACTION:
A CASE STUDY ON THE ROLE OF NGOs IN REDUCING POVERTY
AND CATALYZING SOCIAL CHANGE IN EGYPT

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By

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Acknowledgments

To my father, for I would have not been who I am if it were not for you;
To my mother, for all the love and the care you’ve bestowed upon me throughout my life;
To my husband, for the love and support you’ve given me all the way through;
To my son, for the light you bring into my life and the love you fill my heart with;
And to my Professors, for all your effort and dedication.

I hope I will make all of you proud...
May you always be blessed.
## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AUC</td>
<td>American University in Cairo</td>
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<tr>
<td>AYB</td>
<td>Alashanek Ya Balady</td>
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<td>AYB-SD</td>
<td>Alashanek Ya Balady Association for Sustainable Development</td>
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<tr>
<td>CAPMAS</td>
<td>Central Agency for Public Mobilization and Statistics</td>
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<td>CG</td>
<td>Consultative Group</td>
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<td>CCLLS</td>
<td>Collaboration for Community-Level Services</td>
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<td>CSOs</td>
<td>Civil Society Organizations</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>FGM</td>
<td>Female Gentile Mutilation</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HDI</td>
<td>Human Development Indicators</td>
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<td>IRB</td>
<td>Institutional Review Board</td>
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<td>KPIs</td>
<td>Key Performance Indicators</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MFI</td>
<td>Micro-finance Institution</td>
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<td>NGO</td>
<td>Non-governmental Organization</td>
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<td>NPO</td>
<td>Not For-Profit Organization</td>
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<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>SWOC</td>
<td>Strengths, Weaknesses, Opportunities &amp; Challenges</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNCCD</td>
<td>United Nations Convention to Combat Desertification</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>WB</td>
<td>World Bank</td>
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<td>WHO</td>
<td>World Health Organization</td>
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Abstract

This study presents the concept of transformational leadership and suggests that non-governmental organizations (NGOs), as transformational leading agencies, have a vital role in addressing community needs in Egypt. The study is conducted using the qualitative research method, focusing on the case study of Alashanek Ya Balady Association for Sustainable Development (AYB-SD), which is an Egyptian NGO directing its efforts towards poverty alleviation and social change in the district of Old Cairo in Cairo. The study inspects the different programs of the NGO using the SWOC (Strengths, Weaknesses, Opportunities and Challenges) approach that examines the internal and external environments in which the NGO operates. Moreover, throughout the study, reference is made to the efforts of the state, or lack thereof, in supporting the work of NGOs in Egypt. Finally, the study concludes by providing recommendations for the government as well as the NGOs, which can enhance their work and, hopefully, help them in paving the road to a more developed Egypt.
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Chapter One

Introduction

Overview:

In 2012, a global monitoring report produced jointly by the International Monetary Fund and the World Bank stated that world poverty has reached 12.7% (The World Bank, 2012). This means that out of over seven billion people occupying the world, more than 800 million are living on or under the poverty line. This figure translates into millions of children, women and men whose lives are characterized by lack of food, shelter, healthcare, and education. And while the same report states that world poverty has declined in many regions, poverty still, however, continues to be a prominent problem in other areas around the world. Thus, eliminating poverty by 2030 was the first goal on the list of Sustainable Development Goals (SDG’s) advanced by the United Nations (UN).

In an Egyptian context, the 2008 Egypt Human Development Report states that Egypt has been struggling with Human Development Indicators (HDIs) such as high poverty and illiteracy rates, high population growth rate and high gender inequality. Therefore, it has been noted that pervasive structural reforms are needed to transform Egypt’s economy into a forceful system that can diminish poverty, generate productive employment opportunities, and sustain social and political stability (The World Bank, 2016). Additionally, the 2015 United Nations Human Development Report confirms that Egypt faces a severe multidimensional poverty rate of 37.4%, a youth unemployment rate of 34.3% as well as several other problems with gender and income inequality, high child mortality rates and very limited public expenditure on education (UN, 2015).
Moreover, according to the Central Agency for Public Mobilization and Statistics (CAPMAS), Egypt’s poverty rates have increased reaching 26.3% in 2013, after being 25.2% in 2011. Similarly, a report issued by the UN in 2013 states that an estimated 13.7 million Egyptians suffer from food insecurity, which is attributed to growing poverty rates in recent years. CAPMAS affirmed that poverty is a result of several factors and that in order to reduce poverty rates, the government and other approved organizations need to strategically use tools such as education, economic development, health, and income redistribution. In addition, and mostly attributed to high poverty rates, Egypt also struggles with a number of impairing social issues such as a cultural heritage of philanthropy, gender inequality, early marriages and others. These kinds of social beliefs affect the productivity of the people and their eagerness to learn. It also implicitly encourages them to remain receivers of charity rather than to work for what they need.

Due to the gravity of these problems, it is evident that Egypt, and other developing countries, cannot depend on the government alone to take necessary action and that more people need to start moving towards finding more practical solutions. Consequently, there is an unrelenting need in today’s world for more leaders who have a social responsibility that is not mandated upon them, but that they instead choose to carry, be them individuals, groups, or organizations. This type of leadership is called “transformational leadership” which entails abiding by a social contract in order to transform the society and shape its future (Bass 1999). Transformational leaders are generally very caring, hardworking and devoted to their mission, they put high emphasis on their teams and ensure that all members are well aware of the mission and well prepared to achieve it (ibid). Nowadays in Egypt, a great and common example of
transformational organizations is the expanding civil society, represented by all the different non-governmental organizations (NGOs), non-profit organizations (NPOs) and syndicates that address a variety of significant and critical issues in the community such as poverty, illiteracy, women rights and others. While it is important to highlight the role of such organizations as transformational leading agencies, it is also essential to clarify that applying the concept of transformational leadership to such organizations is generic and is not meant to personalize their institutional identity.

According to the Egypt Human Development Report (2008:68), the number of Civil Society Organizations (CSOs) in Egypt working under Law 84/2002 has been growing at a rate of about 600 new organizations per year since the introduction of the law. Furthermore, indicators show that the decade following the introduction of law 34/1964 witnessed the establishment of a high number of organizations working in a legal frame towards rural development and family planning. And despite the unstable political situation, the unfavorable economic conditions, particularly after the January 25 uprising, and the challenges they face due to poor laws and regulations formulation and enforcement, the number of CSOs in Egypt, and particularly NGOs, is still increasing and their voice is more influential every day. Consequently, this study is dedicated to exploring the role of NGOs, as transformational organizations, in reducing poverty rates and inspiring social change in Egypt, with a focus on one NGO, namely Alashanek Ya Balady (AYB), which was specifically chosen for its major efforts in the field of development, social change and poverty alleviation.
Research question:

The main research question that this study attempts to answer is “How do NGOs contribute to reducing poverty rates and catalyzing social change in Egypt?” It focuses on one specific NGO, highlighting its role and studying its contribution to poverty alleviation and social change since its inauguration. The study highlights the challenges facing the NGO, and looks at its strengths, weaknesses and opportunities. Additionally, a few sub-questions are derived from the main question to draw the bigger picture, and generate the framework for the study. These include: what is meant by transformational leadership? How are the terms “poverty” and “social change” defined? What is meant by civil society organizations and what is its role in the community?

The Case Study:

In conducting this study, Alashanek Ya Balady Association for Sustainable Development (AYB-SD) has been chosen as a case. This is an NGO that started out as a student club at the American University in Cairo (AUC) in 2002 with a few volunteers. The club was basically aiming at serving the residents of Ain El-Sira, a well-populated area in Old Cairo, by reducing poverty and unemployment rates and empowering unprivileged youth both socially and economically.

Later, the idea started spreading; several branches were opened in different universities and hundreds of enthusiastic volunteers joined. They focused their efforts on inducing social change in the area and they started by providing long term financial solutions to empower the poor economically so that they can actually change their lives from an economic and, hence, a social perspective.
In 2005, Raghda El Ebrashi, founder and chairperson of AYB, decided to register the club as an official NGO that aims at empowering beneficiaries by teaching them how to grow and sustain themselves and their families. And by the year 2009, AYB-SD had created its own economic empowerment model and had also started its own employment services program. The NGO, currently, is one of the most well-known NGOs in old Cairo and it serves more than 3000 beneficiaries annually.

The mission of AYB-SD is “to create regional development models leading to the alleviation of poverty and embracing human dignity, through improving youth capabilities and providing opportunities which enhance the living standards of less-fortunate communities.” Their vision is “to witness an economically independent society where youth are empowered and engaged in sustainable development.” And their basic core values are respecting the human being, innovating for social change, cooperating for the greater good, managing the organization professionally and believing in results.
Chapter Two

Literature Review & Conceptual Framework

Literature Review:

This section will begin by explaining what transformational leadership is and what its role is in the community. As a form of transformational agencies, CSOs, and particularly NGOs, will be defined and their significance in the community will be highlighted, followed by their efforts in inspiring social change and contributing to poverty alleviation. This will be followed by highlighting the efforts of the NGOs to remain sustainable so as to be able to address the issues previously-mentioned. Finally, the role of the government in supporting and empowering NGOs will be discussed to shed light on how it can help them better achieve their missions.

Defining Transformational Leadership:

Bernard M. Bass, who wrote extensively on leadership, defines transformational leadership as an approach that causes change in individuals as well as social systems (1999). He affirms that this form of leadership creates valuable and positive change and that transformational leaders are inspirational, charismatic and trustworthy. He also formulates the “4 I’s” of transformational leadership namely: 1) Idealized influence, 2) Inspirational motivation, 3) Intellectual stimulation, and 4) Individual consideration (ibid). These attributes and characteristics mean that a transformational leader should be a charismatic role model who builds confidence and trust, should provide meaningful work and set high standards, should encourage creativity and should be a mentor by responding to individual needs and leading by example. Similarly, M.S. Rao (2014), the Indian
leadership consultant, explains that transformational leadership is a way of developing people and enriching their skills so that they are eventually able to develop their societies. Rao states that what is different about this type of leadership is not just the outcomes it achieves but also the means by which it achieves them, which entails a rich value system and high morale (ibid). In 2002, John Frank explains that transformational leaders are those who empower their followers to become useful collaborative members of their societies. He describes this type of leaders as “cultural entrepreneurs” and explains that “such leadership must be socially critical, must reside not in a person but in the relationship between individuals, and must be oriented toward social vision and societal change” (Frank 2002: 2). Frank also uses the civil society as an example of transformational leadership, as he describes it as “the pole of individual autonomy balanced through voluntary compliance with community beliefs and mutual commitment to common good” (Frank 2002: 4).

Defining The Civil Society:

“Our times demand a new definition of leadership” confirmed United Nations Secretary General Ban Ki-moon during the World Economic Forum held in 2009. The UN official explained that in order to achieve our goals, a certain level of cooperation is required among the government, the civil society and the private sector. He also affirmed that CSOs are a very strong advocate for human rights and social justice (UNCCD 2012). This strong statement is proof that the civil society is an influential leading entity that has major contributions. But what is the civil society? With reference to the literature, the term civil society has several definitions. For instance, the World Health Organization (WHO) defines civil society as the social sphere consisting of non-state, non-for-profit,
voluntary organizations that come together to influence policy-making of governments and increment government services (WHO 2016). Similarly, the UN define the civil society as a wide range of organizations and community groups, including individuals and groups, that have become important actors for delivery of social services and implementing development programs as to complement the work of governments, especially in post-conflict countries and/or regions (UN 2009). As explained in the Egypt Human Development Report, in Egypt, the term civil society has been increasingly popular, especially during the last decade. It is usually used to describe NGOs as well as other organizations, networks, associations, groups and movements that are non-for-profit and non-governmental (2008:67). As stated in the literature, these entities work to achieve specific common goals that are usually in the interest of the public. They address different issues such as poverty, healthcare problems, women and children rights etc (ibid). In a book on agents of change, the author explains that enabling the organizations of the civil society, be them micro-finance institutions (MFIs), NGOs, or NPOs, emphasizes their role in improving service delivery as well as their influence on endorsing frameworks and regulations (Shatkin 2007). In addition, the author confirms, that in order to guarantee smooth operations and relative ease of work, such organizations will certainly need to elicit cooperation from the government in order to avoid being caught in what she called the “vicious cycle of conflicting interests” (ibid).

**Significance of NGOs in the community:**

In the mention of MFIs, the Egypt Human Development Report of 2004 confirms that presently in Egypt, a major segment of active CSOs working as lenders are NGOs. The goal of these NGOs is to provide money to the poor, on loan basis, to enable them to
remain a functioning part of the society. In favor of these NGOs, the report affirms that “stakeholders found the institutional setting of an NGO to be the most legitimate form through which they can relate to government, donors and other institutions” (p.160). Likewise, another author affirms that the sense of responsibility of the NGOs, their transparency and their commitment encourage them to adopt practices that enhance credibility and trust among stakeholders, as they work towards the common good of every one (Khan et al, 2004). In addition, another article refers to them as “an important domain in the process of governance” (Rahman and Sarkar, 2014:319). It also explains that poor people are the greatest beneficiaries of their work as it mainly consists of service delivery. The same article also highlights that NGOs have the ability to push for certain legislations and influence decision-making (ibid). However, they add that “the effectiveness of such organizations depends on factors such as favorable socio-political conditions, state support and appropriate policy and legal framework” (ibid: 320). Agreeably on the importance of NGOs, Diana Mitlin (2001) clarifies that they work on health awareness, education, low-income housing, and micro-finance. Needless to say, different NGOs work for different causes; human rights, women’s rights, social justice, poverty alleviation and others. However, this study mainly focuses on enhancing social change and poverty alleviation. Therefore, it is essential to define both terms.

**Social Change as a Function of NGOs:**

“There are many kinds of social change”, states Jenny Pearce 1999), a researcher who spent 30 years in studying NGOs and their role in the society. “Usually, it involves some shift in power relationships, which gives the powerless an opportunity to transform the sources of oppression and restructure social relationships” (ibid: 631). In this article,
Pearce explains that social change comes in several forms, such as public participation, political activism, and social positioning. Pearce adds that social change can also be enhanced by education, employment and gender equality. She, however, claims that donor-funded NGOs are not necessarily implementing their own idea of social change, but rather that of their donors, which raises the question about their intentions and their hidden agenda, if any (ibid). In another more recent article by the same author, Pearce (2010) argues that throughout the years, NGOs have been promoted from merely facilitators to agents of change and that is because of the importance of the services they provide and the efforts they exert in the field of promoting social change and development. Agreeably, two scholars clarify that among all other organizations, NGOs have a crucial role in influencing social change because as value-based organizations, they should employ their power to help in developing their communities rather than pursuing their own interests (Edwards & Sen 2000). The authors claim that all social systems are based on three pillars, the first is the set of principles and ethics guiding the society, the second is the state of the inner-being of individuals in the society and the third is the set of processes and institutions managing the system. They further explain that the first pillar depends on the ethics of individuals, the second depends on how they view themselves and where they position themselves socially and the third depends on the institutions that govern this all. Perhaps NGOs cannot have control on the state’s institutions, however, they can certainly elicit change in the first two pillars. Nonetheless, Edwards and Sen confirm that in order to be able to achieve this, the NGO should have its fair share from political, social and economic power. Likewise, Krista El Gawhary (2000), who has worked with legal rights and gender and youth programs in Egypt for 10
years, agrees with Pearce as she exclaims that some NGOs have been accused of meddling in state-security issues just because they have been receiving foreign funding. On the other hand, she describes the enormous hopes Egyptians have in NGOs (ibid). She affirms that during the past 15 years, advocacy NGOs have been trying to achieve what the government has been failing in doing. But regardless of their efforts in encouraging social change and poverty alleviation, their abilities are, at the end of the day, limited (ibid). Consequent to highlighting the important role that NGOs play in the society, and explaining what is meant by social change, the next section provides an explanation of what is meant by poverty and poverty alleviation.

**Poverty and Poverty Alleviation as a function of NGOs:**

As per the latest report by the UN in 2016, poverty is the condition of people living on 1.9 USD or less per day. Amartya Sen, the Nobel laureate in Economics, defines poverty as the inability to cover the person’s most basic needs (Sen 1982). Sen explains that measuring poverty is divided into two processes, defining poverty and aggregating poverty (ibid). He notes that in most cases, the fact that some people are poor is dependent on the fact that others are not, and that poverty has several dimensions that should be simultaneously addressed, if a solution is to be found (ibid). Additionally, to link poverty alleviation to social change, Sen explains that one of the latest definitions of development is freedom. He notes that empowering poor people to act freely on improving their living conditions is in itself a positive social change as they seize to remain receivers of charity and instead start becoming contributors to development (ibid). Moreover, in a book entitled “Microfinance and Public Policy”, the author B. Balkenhol (2007), on one hand, defines poverty as “the lack of material means to ensure biological
subsistence as determined by the research of nutritionists.” On the other hand, he explains that poverty is a “function of the living standard”, meaning that it relates to the general standard of living in a given country and/or society (ibid: 28) The author also clarifies that poverty is multidimensional and that the poorest of the poor are those most vulnerable to fluctuations in income and the various other risks of life (ibid). To apply this to the Egyptian context, Sabry (2015) affirms that almost 35% of Egyptians live on or close to the poverty line and that while statistics show that poverty was reduced between the year 1995 and 2000, this figure is not accurate as it does not reflect people in slums and other secluded areas (Sabry 2015). In addition, according to the Egyptian Human Development report issued in 2004, there are several indicators to poverty, such as illiteracy rate, per capita income, basic and secondary education enrollment ratios and life expectancy rate (p.21). Therefore, it is safe to say that a long way remains ahead of the country and its 27 governorates in order to entirely eradicate poverty and as explained previously in several sources, this is where NGOs step in.

**Attempts of NGOs to achieve sustainability:**

To address such massive and critical social and economic needs, NGOs dedicate entire programs and projects to poverty alleviation, raising awareness, and encouraging development. More importantly, they struggle to keep their work sustainable in order to maintain its positive outcome. The 2008 Egypt Human Development Report confirms that there is a positive relationship between indicators of human development and the performance of civil society organizations. The report states that countries with expanding lists of active NGOs are those that continue to score positively on the annual report on human development created by the UNDP. But how do these NGOs stay
sustainable? All relevant literature agrees that successful NGOs avoid the deeply-embedded philanthropic culture and refuse to do charity. Instead, they work towards developing individuals and teaching them how to sustain themselves and their families.

Various scholars wrote about the work of such NGOs in their countries, documenting success stories from Pakistan, Bangladesh and Islamabad. In his book, for instance, Balkenhol (2007) presents the idea of micro-finance for development and poverty alleviation and describes how it emerged as a World Bank objective in 1990 and developed through the years to become the main focus of the World Bank’s work. Later, this initiative matured into the Millennium Development Goals (MDGs) adopted by the United Nations member states in September 2000 (ibid). These included different developmental goals all relating to development, including poverty alleviation and what the author described as “other factors there of” such as; illiteracy rates, gender inequality, child mortality and maternal health (ibid: 28). He, understandably, argues that poverty reduction is the key to social change and development and that all the other MDGs are addressing further dimensions of poverty (ibid). This can be explained by the simple fact that the lack of quality education, gender equality, and health services all contribute to the idea of being a “poor” person, and that by reducing poverty rates, all such factors should be positively affected as well. Therefore, Balkenhol claims that micro-finance is the most preferred method of staying sustainable and achieving the MDGs given how efficient it is in reducing poverty rates and enabling people to cross the poverty line in developing countries (ibid). Nevertheless, in a later chapter of the book, Balkenhol sheds light on a counterargument that may not be presented frequently, which is the fact that microloans are provided to people whom he described as “unbankable”, those are the people who do
not have access to banking services but at the same time are not under the poverty line (ibid). If the NGOs wish to ensure sustainability, Balkenhol exclaims, then they certainly would not consider offering loans to the poorest of the poor, and that’s because they are usually incapable of repayment. As a result, this can actually lead to further inequality (ibid). Nevertheless, in the concluding chapter, Balkenhol did not fail in highlighting all the different substantial means by which microcredit can help reduce poverty such as empowering women, encouraging income-generating activities, and providing opportunities for higher school enrollment (ibid). Similarly, data about Egypt are presented in the 2008 Human Development Report which provides a few figures showing that from 1996 to 1998, and in the timespan of 20 months, about 1700 loans were distributed disbursing over 1.5 million Egyptian Pounds and that the repayment rate was 91% (p.142).

In addition to micro-finance, another way of attempting to stay sustainable is maintaining an efficient Monitoring and Evaluation (M&E) program. Therefore, authors continue to emphasize its vitality for NGOs. For example, in 2015, an article was written in this regard explaining that any NGO that wishes to be transparent, productive and trustworthy to all relevant stakeholders, should invest in M&E so as to always reflect on its activities and find ways to making them better (Khan, Waheed & Iqbal 2015). The authors confirm that “M&E system is essential to organizational planning, informed decision-making and management support. They also explain that the two functions are strongly interrelated and complementary; whereas monitoring gives an overview of progress and direction, evaluation gives an overview of accomplishments and impact (ibid). The authors emphasize that by continuously revisiting your plans, and finding
ways for improvement, this can actually provide a bigger chance of remaining sustainable (ibid). However, once again, almost all the authors whose literature has been reviewed for this study agreed on the fact that despite of all the efforts exerted by the NGOs, their work is practically meaningless if they are not given the necessary mandates and are not empowered by the government.

**The Role of the Government in Supporting NGOs:**

This, inevitably, draws attention to the role of the government in enabling NGOs and enhancing their work. In consistency with others articles, Pearce highlights the role of the government in empowering NGOs by stating that government cooperation cannot be taken for granted (2010). El Gawhary also emphasizes the role of the government by affirming that no matter how powerful and productive, NGOs’ work is limited if not supported by the government (2000). In addition, to explain the power that the government has over NGOs, Hamzawy (2014), states that, in several developing as well as developed countries, to ensure that the public stays silent about certain issues or decisions, the government chooses to suppress the civil society and impose many restrictions on their work. In his article, Hamzawy gives examples from China and Russia and relates these examples to what is now happening in Egypt (ibid). He also confirms that the strategies of these countries are now being used in Egypt, when the government, not only refuses to cooperate with NGOs, but also obstructs their work and labels them as criminals and traitors (ibid). And while he believes that it is the government’s right to oversee the work of NGOs and inspect their sources of funding, he also believes that the government should reach a level of cooperation with NGOs so that they are able to perform their duties efficiently. After all, he notes that the poor are the ones who suffer
the most from the consequences of this conflict, as they are deprived of the services that
NGOs offer, and that the government cannot cover alone (ibid). Addressing the same
issue, the 2004 Egyptian Human Development Report encourages decentralization by
transferring power and authority to lower officials, and offers strategic planning ideas
towards achieving that. The report also sheds light on the importance of redefining the
role of the government from being a service provider to being an enabler and a provider
of a community where all stakeholders can participate in formulating and implementing
public policies (ibid). This should include efforts to empower local entities and provide
them with access to necessary information in order to support local development (ibid:
139). Furthermore, the report confirms that the NGOs’ work in Egypt lacks coordination
and mapping of efforts, which leads to duplication of work (ibid: 140). Therefore, in an
attempt to ensure collaboration among all stakeholders, the government initiated a
Consultative Group (CG) for the Collaboration for Community-Level Services (CCLS) to
support decentralized decision-making and to ensure the creation of an environment
where local initiatives can flourish. The CCLS focuses its efforts on facilitating the
involvement of citizens in decision-making as well as enhancing relationships with the
private sector (ibid: 154). Hence, this continues to emphasize the role of the government
that NGOs cannot, under any circumstances, replace.

To finalize this section, it is safe to say that as a form of transformational agencies,
NGOs have managed to secure a place for themselves in developing countries and to
position themselves as service providers for those in need. Nevertheless, it is evident that
the role of the government in empowering these NGOs is vital for their performance and
their sustainability.
**Conceptual Framework:**

This section attempts to put the study into perspective by presenting and discussing the different factors that affect the work of NGOs in Egypt and illustrating the consequences of each and every factor.

**The Internal Environment:**

- Little experience with effective communication and networking affects the performance of NGOs as it becomes unable to advocate for certain rules and regulations as well as turn into a weak negotiator. It also affects its relation with the private sector and sister NGOs which can, on the long run, affect prospect opportunities.

- The choice of location for NGOs is also debatable. As the 2008 report states, most NGOs choose to locate themselves in greater Cairo and Giza, which results in their inability to reach their target audience, and even worse, losing credibility among the public.

- The management system of the NGO is also very critical; the skills of members as well as their ability to retain staff and attract volunteers will certainly affect the NGO’s performance.

- Last but not least is the M&E process of the NGO. The report confirms that most NGOs have weak M&E processes which means that they do not learn from their mistakes and that they are less likely to be efficient and effective.
The External Environment:

As mentioned in the 2008 Egypt Human Development Report, the level of development in a society is partially dependent on the level of activity of its civil society. This is because in an enabling, free environment CSOs are empowered and given appropriate entry points and mandates, and in return they are able to provide better quality services to the community. This explains the importance of the external environment and the effect it has on the NGOs’ work. In this case, the external environment is divided into four different elements; political, social, economic and the power of relevant stakeholders such as other NGOs and/or private sector entities.

- The political framework includes factors such as the legislative system imposing rules and regulations on NGOs, the enabling environment that the NGO is either granted or deprived of, and the ability to access information and acquire the necessary mandates that will enable the NGO to carry out its duties efficiently. It also affects the fundraising process of the organization as several international donors refuse to cooperate with countries with unstable regimes.

- The social framework acts as a great challenge to NGOs as it includes the philanthropy culture which causes Egyptians to be receivers rather than doers and encourages their defeatist approach. It also includes restrictions on citizen participation, which limits volunteerism and the will to engage in developmental activities. This, of course, intersects with the political framework as it could be a result of lack of democracy, but it also has a social aspect to it, as Egyptians are used to obeying their leaders.
Economic conditions are one of the major factors affecting NGOs. This is because high inflation rates and low incomes simply mean less donations. That is why NGOs were affected not just by the worsening economic conditions in Egypt, but also by the global recession which led to receiving less international donations.

Lastly, there is the power of sister NGOs and private sector partners. In an ideal world, all stakeholders have a “developmental” vision, but in the real world, some NGOs and private sector entities have different agendas. These include seeking to please the government, increasing sales and/or creating a false image. The work of such entities certainly affects the performance of NGOs as it disrupts its developmental mission and acts as a barrier to achieving it.

The below figure illustrates the circle of internal factors affecting NGOs and the outside externalities that could either constitute an opportunity or a challenge.
While studying and conceptualizing the different factors, it is important to understand that one internal factor, be it a weakness or strength, can affect the external environment of the NGO and in turn either support or disrupt its work. For instance, how well-connected the NGO is can affect its relation with the government, the private sector, the international donors as well as the public.

Furthermore, it is equally important to handle challenges efficiently to prevent them from affecting the entire NGO’s external environment negatively. The below figure, for example, explains how one negative external factor, if not handled well, can affect other positive factors. This can also easily apply to a weakness that, if not dealt with, can affect strengths and reduce their affectivity.

Figure 2

Source: Compiled by the author based on Egypt Human Development Report.
To sum up, NGOs that are determined to achieving their missions must be well-aware of their surrounding environment. They must capitalize on strengths, improve weaknesses, utilize opportunities and have a set of skills that will enable it to overcome challenges. They are also advised not to undermine or neglect small strengths and weaknesses as they may eventually turn into big opportunities or massive challenges.
Chapter Three

Methodology

The Research Method:

According to Marshall and Rossman, “qualitative data analysis is a search for general statements about relationships and underlying themes in which data collection and analysis go hand in hand in order to build coherent interpretation” (Marshall and Rossman 1999: 161). Since the topic of this study falls under the category of general social research, and since it seeks to acquire comprehensive and in-depth results about this topic, hence, the qualitative research and analysis method was chosen for conducting it. This method, as Marshall and Rossman agree, is usually used in social research that aims to study community issues, problems or phenomena and find possible solutions and/or recommendations. To get inclusive results, both primary and secondary data were used in a descriptive as well as analytical approach, however the study mainly depended on primary data collected through interviews and focus groups.

Before commencing this study, the approval of the Institutional Review Board (IRB) at the AUC was acquired. The Board agreed that it constitutes no harm to participants and that it will follow all the necessary ethical procedures. Accordingly, the consent of all participants has been acquired beforehand, either verbally or in writing, affirming that they are voluntarily taking part in this study and that there is neither potential harm nor benefit included.
The Case Study:

As previously mentioned in the introductory chapter, one specific NGO was chosen as a case study, namely AYB-SD. The choice of this particular NGO was purposive; based on the fact that it is one of the fast growing exemplary organizations in the field of development and poverty reduction in Egypt since its inauguration.

The NGO focuses on providing demand-led vocational, technical and life training to youth, as well as microloans and job-matching services. It has, over the years, expanded its services to cover 17 governorates, while the student clubs that are now known as franchises, grew to 12 clubs in different universities all over Egypt. AYB-SD succeeded in replicating its model in eight different governorates namely Fayoum, Sharkeya, Gharbeya, Monofeya, Dakahleya, Qena, Beni-Souef and Luxor by the year 2010. This model has become a well-known socio-economic empowerment scheme, providing services aimed at all family members of underprivileged communities, with a focus on enabling each individual to find and utilize his/her potential to lead a better life and look forward to a brighter future. AYB-SD has also succeeded in teaching its model to various other NGOs. They created a three-year strategic plan to ensure covering as many beneficiaries as possible and to also guarantee sustainability.

The NGO is currently working on four different programs; micro-finance, education and awareness, training for employment, and outreach and replication. It has partnerships with more than eight well-known private sector organizations such as Intel, Price Waterhouse Cooper (PWC) and British Petroleum (BP). In 2013, the NGO created a pilot project called “Comprehensive Family Development” in partnership with Bank of
Alexandria, which aims at developing and empowering all members of 10 families simultaneously in order to guarantee maximum efficiency and sustainability.

Furthermore, AYB-SD attempts to diversify its sources of revenues rather than remain dependent on grants and/or donations, in order to stay sustainable. Accordingly, it created a social enterprise called “Tafanin” which is a marketing agency that allocates 20% of its revenues to AYB annually so that the NGO can, at least, self-cover its industrial costs.

Lastly, it worth mentioning that the NGO employs over 30 full-time staff members and has a diversified Board of Directors including 17 respectful members from different organizations such as BP, Mars Egypt, Procter and Gamble Egypt, AUC, and the German University in Cairo (GUC).

After consultation with the Chairperson, Raghda El Ebrashi, she agreed to personally sit for an interview as well as provide contacts for further interviews and focus groups. El Ebrashi also agreed that observatory participation be carried out, if necessary, during the period of the study. In addition, the approval was granted to use internal records, charts and graphs in the study to illustrate the impact of the NGO’s programs. For instance, the below graph illustrates the number of beneficiaries that different programs serve annually:

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1 Tafanin is a social enterprise of AYB-SD that donates 20% of its profits to the NGO.
The Interviews and Focus Groups:

Purposive sampling was used to choose the interviewees in order to make sure that each and every one has valuable input to add to the data collection process. The following staff members sat for semi-structured in-depth interviews:

1) Ahmed Fawzy, Outreach and Replication Program Head;
2) Amina Darwish, Fundraising and Communications Manager;
3) Haneen Shahin, “Ebtaker” Program Head;
4) Maryam El Safty, Board member and Founder of “Tafanin”;
5) Ragaay Mostafa, Microcredit Program Head;
6) Rama Maher, Monitoring and Evaluation Manager;
7) Raghda El Ebrashi, Founder and Chairperson;

2 Staff members agreed that their names be published.
8) Sarah Saber, Vocational Training Program Head;
9) Sarah Salah, Education and Awareness Program Head.

The interviewees were asked semi-structured questions such as:

1) How, in your opinion, does the NGO encourage development in old Cairo?
2) How do you collaborate with other NGO’s to avoid duplication of work?
3) What are the challenges that the NGO faces?
4) What kind of support do you need from the government to do your job better?

Moreover, two semi-structured focus groups were held with 10 beneficiaries. This guaranteed voicing the experiences of as many stakeholders as possible as well as obtaining a more inclusive view and more detailed results. All the names used in the study for beneficiaries are pseudo names to guarantee anonymity. During the focus groups, beneficiaries were asked questions such as:

1) Which program are you enrolled in at the NGO and how did you know about it?
2) Did this program have any kind of effect on your life? What is it?
3) What was the main accomplishment that you achieved through this program?

And while most of the data that was used for this study was collected by means of interviews, secondary data acquired by means of desk research was also a valuable source of information that has contributed in constructing the conceptual framework and the literature review sections.
The SWOC Approach:

A chapter in this study is dedicated to present a SWOC (strengths, weaknesses, opportunities and challenges) analysis of AYB-SD in an attempt to examine the internal and external environments in which the NGO operates. This is expected to yield into more realistic and constructive recommendations.

The Limitations:

The biggest limitation to this study was the inability to generalize results of one NGO to all others in Egypt. Moreover, lack of time and financial resources constitute additional limitations, as they led to geographic restrictions. If, however, enough time and financial resources were available, visiting different governorates and extending the study to different NGOs would have been a possibility. Therefore, in an attempt to attain broader and more inclusive results, it is recommended that future research may be conducted using more financial resources and a prolonged timespan in order to shed light on more NGOs in different areas and/or governorates.
Chapter Four

Reducing Poverty and Promoting Social Change

Throughout the interviews, all interviewees were asked the same questions with slight variations depending on their area of work and experience. The answers were all collected and grouped creating a set of clear findings. These findings were classified into three different sections; each section will highlight and discuss an essential theme.

To get the opinion of the interviewees on their work at the NGO and how, they think, it leads to reducing poverty rates and/or promoting social change, the first question, after introductions, was “how do you think your program/work promotes development?” Agreeably, all interviewees confirmed that their work through the NGO leads to development on different levels. Answers were very similar, including a description of the activities of each program and how they all have developmental targets. For instance, Maryam El Safty, Board member, stated that AYB-SD targets the main causes of the problems:

“In my opinion AYB tackles the root of the problem. We do not do charity work. We seek to address the serious problems like illiteracy, unemployment, and so on. We encourage development by teaching the people how to feed themselves rather than feeding them. We teach them how to think and how to address their problems in order to rise above the poverty line.”

This is the view of the board member who believes that the NGO promotes development by encouraging individuals to change and seek better lives. El Safty understands how essential it is for the beneficiaries to earn their own money and cover their own expenses. That is why she confirms that the NGO refrains from charitable
work, which is consistent with the literature and what it mentioned about the role of NGOs is the community. In addition, Ahmed Fawzy, Outreach and Replication Program Head spoke about the importance of his program and how it contributes to development and social change in Ain El-Sira and other similar areas of old Cairo. Fawzy noted that:

“It is well known among members of the civil society that if it was not for NGOs, the January 25 revolution would have happened longer before that. But the work we were doing acted as an anesthetic and prevented the people from rebelling sooner.”

This is confirmation on the importance of NGOs in the community and evidence that proves their effectiveness. Fawzy provided details on the target of his program by confirming that:

“Right now I am working on a project funded by the embassy of Finland. The main purpose of this project is to promote social change among locals and create social awareness on the importance of development. It is focused in “Matareya” and “Bolaq Aboul Ela”. We started by creating a council of residents and asking them to determine and prioritize their ideas for developing the two areas.”

Once again, a description of the program target shows how consistent it is with the role of NGOs mentioned in the literature from alleviating poverty to inspiring social change and promoting development. Moreover, among the programs that promote real social change and contribute to reducing poverty levels in Ain El-Sira and Old Cairo is the micro-finance program. As the Head of this program, Ragaay Mostafa discussed the criteria of acceptance in the program. He stated that:
Mostafa explained that his program started in 2005 and that it covers a large percentage of people in Old Cairo especially Ain El-Sira. The loans offered range from 1000 – 50000 EGP and the main purpose of offering these loans is to help the poor in improving their standard of living, which is why the NGO does not specify a lot of demanding criteria for loan candidates. However, he also explained that to guarantee the sustainability of the program and in order to benefit the largest number of people possible, he needs evidence that the candidate will repay the loan, which is why he asks for a copy of his house rental or ownership contract, a certificate that proves that he has covered his army service and any other documents for safety purposes. When such documents are not available, he said, a resident from the area can provide a guarantee of good-faith in the candidate and the NGO usually starts by giving him a small loan. As a result of these precautions, Mostafa confirms that they have a repayment rate of 98%. To an extent, this defies what Balkenhol’s claim about loans going to those who are “unbankable” but not really poor (2007), as it proves that the NGO tries to maintain a high level of flexibility in order to serve and help the largest number of poor people possible.
Fawzy, who also used to work in the micro-finance program, was asked about the different criteria for choosing microloan candidates, and his answer was very similar to that of Mostafa. He confirmed that:

“The more needy the person is the higher his chance is for getting the loan. His financial standard or level of education is not an issue for us, because we are targeting those whose chances in the labor market are minimal. What really matters is his willingness and ability to work.”

This too contradicts with the theory presented by Balkenhol but at the same time, it supports the ideas presented in the same book about how micro-finance can encourage income-generating activities, women empowerment and social change (Balkenhol 2007). And in the mention of criteria, Fawzy also added another factor that affects the acceptance of the beneficiaries: He noted that:

“The other important factor is the nature of the project he wants to starts with the loan. If it is a project that the area does not need, if it does not provide other job opportunities, or if it is something harmful or not environmentally friendly then this person will most probably not get the loan because this is against our main values.”

This also supports the different definitions presented in the literature about transformational leaders, how they should inspire ethics and values and how they should act as role models and lead by example (Bass 1999).

Speaking of the criteria for choosing loan candidates also raised a question about the nature of the projects that these candidates start and whether they bring about true development. Addressing this issue, Fawzy explained that this depends on the loan itself:
“This depends on how big the loan is. Small loans can cover buying a “toktok” to or working in “delala”. And even though this is not a “developmental” project, its impact on the family can bring about development when the children can continue to go to school or when the husband can sustain his family. This is just a start and who knows, maybe one day he can apply for a bigger loan.”

This is an example of the income generating activities mentioned by Balkenhol 2007. It illustrates how, even though, the candidate does not start by a major project, that it can eventually turn into one that generates enough income for him to maintain a decent standard of living and self-sustain his family. Mostafa also agreed with Fawzy on the nature of the projects and added that for bigger loans, candidates can open their own stores. He gave examples of candidates who took loans and opened mobile and computer stores and are now very successful in the area. However, for those who take smaller loans and perhaps sell fruits and vegetable, he had to say:

“Being able to provide food on the table for the kids is in itself a way of development even if on the psychological level. This person needs to feel like he can at least cover the basic needs of his household or else he could steal.”

The figures presented below illustrate the activity of the micro-finance program and the number of people benefiting from it. Figure 4, for example shows how many small enterprises are funded as opposed to the size of the loans. While figure 5 shows the amount of loans that the NGO disburses on annual basis.
**Figure 4**

*Number of financed micro-enterprises and average loan size*

Source: Figure obtained through personal contact from NGO’s internal records (2016).

**Figure 5**

*Amount of loans disbursed annually*

Source: Figure obtained through personal contact from NGO’s internal records (2016).
The next question was about the impact that the micro-finance program has on the area and whether there are any success stories of people who actually crossed the line of poverty. Mostafa explained that there is a difference between developing the area and developing the people. He stated:

“Throughout the 10 years of our work, I would not say that the area has developed much but the people have certainly developed. We have a lot of success stories, people who lived in “3eshash” and now have their own apartments, others who have managed to buy a store and turn it into a successful business and so on. But for the area to develop, the government has to interfere and provide the necessary services and infrastructure.”

Mostafa’s statement relates to the role of the government emphasized by the literature and explained in the 2008 Egypt Human Development Report, as it confirms that no matter how successful the NGO is, it cannot take the government’s place. However, to confirm that the NGO indeed has a positive role in the community, he enthusiastically exclaimed:

“I feel very proud and happy to be working with AYB. Nothing brings you more satisfaction than feeling like you were the reason for someone’s life to change to the better, even if partially.”

On the other hand, Mostafa also mentioned that there is no cooperation between the different NGOs working in Ain El-Sira which means that the same candidate can take two loans from two NGOs at the same time. This was clear as he stated:
Once more, this has been confirmed by the data in the 2008 Report as it explains that there is no cooperation or mapping of efforts among the different NGOs in Egypt which, in most of the times, leads to wasting resources and duplication of work (p.140). And because this point has been confirmed by several interviewees, it will be presented among the NGO’s weaknesses and discussed further in the SWOC section. However, in his defense Mostafa was keen to explain the reason why such cooperation does not exist:

“AYB does not want to be associated with any religious or political entities and that is why we refrain from making any formal agreements with other NGOs so as not to be classified the way they are.”

This is understandable however, may be handled more efficiently given the benefit that can be obtained as a result of such alleged cooperation.

In addition to the micro-finance program, the NGO also has a strong education and awareness program beginning from life skills and hygiene for women, to informal education for children, Sarah Salah, Education and Awareness program head, spoke about the details and benefits of her program stating that:
Salah’s statement highlights the role of NGOs in actual social change, not just in terms of money, but also in terms of social and cultural aspects. This is supported by the theory presented by Edwards & Sen (2000) who claim that NGOs are able to work on two of three pillars of social change which are the set of principles governing the society as well as the inner state of the individuals in this society. Salah also confirmed that there is great flexibility in adjusting the target community according to the needs. For instance, she explained:

“A worldwide study confirms that 60% of children suffer from diabetes at a very early age. This, and anemia, was very common in Ain El-Sira because of malnutrition which is believed to be directly related to poverty. That is why we created an awareness campaign for children to teach them about healthy diets.”

This is a great example of how the NGO works for the common good of the people rather than for its own interests and how they genuinely attempt to inspire social change as suggested by Edwards & Sen (2000). Salah explained that the success of her program is illustrated in the almost-immediate change she witnesses among the children and mothers attending the training. She also confirms that the demand for repeating similar campaigns is usually very high which shows how much they benefit from it.
Furthermore, Salah confirmed that her program includes social issues that are more sensitive than healthy diets and hygiene such as female gentile mutilation (FGM):

“The campaign that I was so proud of was the one on female gentile mutilation. I was so happy to know that a couple of families changed their minds about the issue because of what we taught them. Others were more reluctant, but for such a sensitive issue, this was a good start.”

It is, therefore, safe to say that the NGO succeeded in changing the social behavior and values of its beneficiaries which emphasizes the critical role they play and the positive impact they have on the society.

During another interview with Haneen Shahin, Ebtaker program Head, light was shed on the role of “Ebtaker” as a program that encourages social and green youth entrepreneurs by funding their projects up to 50000 EGP and help in bringing their ideas to light. Shahin stated that this is a joint program in cooperation with the Swiss Academy for Development and the Sawiris Foundation for Social Development. She explained that, even though this fund comes in the form of a loan, what is different about it is the criteria required for acceptance. For instance, other banks or incubators that offer loans for youth entrepreneurs specify that they must be university graduates and should have a feasibility study. On the contrary to what happens in Ebtaker where the candidate does not have to be a university graduate and is taught in the program how to create a simple feasibility study to enable him to forecast the needs and returns of his projects, as per what Shahin confirmed:
Therefore, according to Shahin, to get accepted in the program, all you need to have is the basic education and a socially and environmentally friendly idea for a business. When asked about the impact of her program Shahin stated that the program started in August 2015 and ever since, it has funded 7 projects including a recycling project, a cattle breeding project and an art project. She also confirmed that on the long run, when the program reaches its potential, there will be 42 projects in the Egyptian market providing capital of almost 10 million EGP and employing almost 10000 employees.

During the interview with Rama Maher, Monitoring and Evaluation program Head, she was asked whether she believes that the NGO has a role in poverty reduction and social change and her answer was both positive and enthusiastic. She replied:

"100% yes. Our impact is long term and it comes in a lot of forms but we definitely have an impact. AYB plants a seed for social change in people whether by providing awareness, knowledge, money... but it is always something that this person can use later to develop himself with or without your help."

Maher’s belief in the role of the NGO is a clear example of the enthusiasm and dedication of transformational leaders. It also emphasizes the role that NGOs have in the community in terms of influencing social change and reducing poverty rates which is what the literature previously supported. Maher also spoke about the M&E process and explained that they are two separate processes:
“Monitoring is hands-on work that involves ensuring adherence to rules and regulations, carrying out specific activities on time and achieving the targeted results and to do that you have to have a plan and a set of tools. While Evaluation could happen throughout the intervention and provide recommendations for improvement.”

The explanation provided by Maher is consistent with that of Khan, Waheed & Iqbal (2015). She emphasized the importance of the M&E process for improved performance and explained its vitality. Maher was also keen on explaining that AYB has a special plan for working with other NGOs that have development agendas:

“In terms of coordinating with other NGOs, we either we partner up and implement projects together or we train them on our model and oversee the implementation of projects ourselves.”

To a great extent, this contradicted with what Mostafa stated about lack of coordination with other NGOs in order to avoid religious or political associations. This highlights the fact that the NGO needs more planned cooperation among the different programs. Additionally, it illustrates how the NGO is willing to work with those who adopt its strategy and not quite ready to cooperate with others. And while, as previously-mentioned, this may be understandable, it will still be presented in the SWOC section as a weakness.

Furthermore, in order to guarantee the flow of its services to its target community, as previously mentioned, the NGO attempts to stay sustainable. Therefore, one of its core values is “sustainability as a philosophy”. The management of AYB-SD believes in promoting the efficient use and allocation of resources whether economic or human,
which in turn reflects on productivity and outcome. As a result, the NGO has several approaches to ensure the sustainability of its programs as well as its operations.

First of all, as mentioned previously, the NGO offers a comprehensive family development plan which provides, in cooperation with the private sector, developmental opportunities for all family members. For instance, it secures a loan for the father, or the bread-winner, informal education for the children, and life skills for the mother. This approach ensures development of all members and in all aspects which guarantees that the whole family will be on the same track and that the effect of the program will be sustained. In this regard, Amina Darwish, Fundraising and Communications Manager, explained that this program is one of AYB’s finest:

“The comprehensive family development plan is one of our “best-selling products”. It attracts donors and ensures the sustainability of our efforts.”

Agreeably, the Egypt Human Development Report confirms that policies that address multiple dimensions of development simultaneously are more likely to have accelerated and enhanced outcomes and are more likely to encourage progress in other dimensions as well (p.88).

In addition, Shahin, from Ebtaker program, also talks about sustainability of her program. She confirms that candidates who apply for the loan have to survive a 3 months cycle of training to make sure their project is well-developed. Moreover, to contribute to a sustainable environment, green and socially friendly projects are the ones endorsed. Upon completing the training period, the candidate is allowed to start his project and in
the meantime, Ebtaker keeps providing the necessary counseling and support to ensure the successful and smooth operations of the project.

Ahmed Fawzy, Head of the Outreach and Replication program, explains that AYB-SD acts as an umbrella NGO by teaching its working economic model to sister NGOs in other governorates and providing them with the essential knowledge and training to carry out similar programs. This guarantees the sustainability of the model and it also ensures that the different programs reach the largest number of beneficiaries possible. This is consistent with the accurate definition of transformational leaders as being charismatic role models that lead by example (Bass 1999).

Another endeavor to promote sustainability was establishing “Tafanin”, a marketing agency that dedicates 20% of its efforts to the NGO. According to El Safty, Chairperson of Tafanin, this covers at least the industrial expenses of the NGO in order to ensure sustainability of operations.

Moreover, Maher, M&E Manager, explained that, to ensure sustainability, her program includes a set of Key Performance Indicators (KPIs), according to which, each and every interventions is evaluated:

“*As a part of the M&E process, we have a set of KPIs that determine the performance of each program which facilitates sustaining them. We also write quarterly reports to determine current performance and how it can be improved.*”

This is consistent with what was mentioned about the importance of M&E in the literature such as the emphasis that Khan, Waheed & Iqbal put on the process by
explaining that it is essential for sustaining informed decision-making and operations management (2015).

Lastly, Salah, Education and Awareness Program Manager, also explained that as a part of her efforts to ensure the sustainability of her program, she made an agreement with a few physicians to make regular visits to Ain El-Sira residents, to make sure that mothers and children are acting according to what they learned in the training sessions and to provide them with help, if necessary. Salah also exclaimed that it would be useless to teach kids about hygiene and healthy diets if they do not know anything about the environment. That is why they also teach them how to be environmentally friendly by preserving water and electricity, throwing away the trash, etc…

Therefore, it is evident that the NGO puts a considerable amount of effort into maintaining sustainability of its programs and operations. It is also evident that AYB-SD is keen on spreading this effort so that it reaches the maximum number of beneficiaries possible. In this regard, it was essential to hear the beneficiaries view points on the NGO and its different programs and get their feedback on how they have affected their lives, which will be presented in the next section.
Chapter Five

Perspectives of the Beneficiaries

As mentioned in the methodology section, two focus groups were conducted with a total of ten beneficiaries. The first group was with four micro-credit beneficiaries, all women within the age range of 32-50 years. The interviewees were asked about how they got to know AYB-SD and what they benefited from the micro-credit program. Each one told her story in details explaining why and how she took the loan and how this changed her life. One of the key examples was Rahma, a 50-year old woman who started taking loans since 2005. During the interview, she explained the reason that encouraged her to take the first loan by noting that:

“When my elder son died, I had to find a job so that I can support his wife and children. I started making sandwiches and selling them from my own kitchen then when I heard about AYB, I applied for a loan, took 500 pounds and started a small kiosk.”

Rahma’s dedication and perseverance is impressive. And although this is a classic case, it defies the ideas presented in the Egypt Human Development Report and other articles about the dependency of Egyptians and their reliance on charity. This woman spoke about her experience and how she had to teach herself to succeed. She confirmed:

“I left school when I was in sixth primary so I am not well-educated. But I taught myself how to work and expand my business. The 1m*0.5m kiosk is now a much bigger store and now I buy and sell practically everything.”
Rahma also explained that she checks to see what kind of products are in demand in her area and she would automatically seek to bring them and sell them for reasonable prices. She taught herself all about demand and supply rather than waiting for anyone to teach her. Therefore, she was a clear example of the type of beneficiaries Fawzy and Mostafa spoke about when they said that the first project they begin with does not necessarily have to lead to development, but then they take a bigger loan and expand their businesses, which is when real development is achieved. When asked about what kind of change those loans have brought to her life, Rahma proudly replied:

“It changed my life completely. I am now able to take loans up to 50000 EGP. I was able to buy a house of my own and now I even built an extra floor on the roof for my grandsons. I am sending my younger daughter to school and hoping to marry her off soon.”

Therefore, this case presents an example of how the work of NGOs can actually change people’s lives and how their efforts can yield actual development. It was also surprising when the interviewee explained that she received a phone call from the representative of a different NGO that works in the same area, telling her that she was “recommended by the computer” to receive a loan from them. While it was a good opportunity for her, she refused to take it until she repays her first loan so that she does not break the rules and so that she remains capable of repaying her installments. Thus, if we were to apply all the attributes of transformational leadership, we would find that this under-educated, relatively poor woman, is a true example of a transformational leader.
Sayed, a 32 year interviewee who is married and has three daughters, explained that her husband was out of work and that she had to help him. She stated:

“I started from scratch. My husband worked on a taxi and one day he had an accident. He could not work anymore and I had to find an alternative to help him. I heard about AYB and applied for a loan and now I have a grocery store where my husband and I work together.”

This younger woman continued her education through middle school, which is a decent level of education for women in Ain El-Sira. She explained that the first time she applied for a loan, she was only given 3000 EGP. This amount was not enough for her grocery store so she had to ask her mother and brother for money. When her project started making profits, Sayeda paid her loan off first and then repaid her family. Later she applied for a bigger loan and bought a Pepsi fridge and now she has her own grocery store where she and her husband work. Her three daughters are in school and she is keen to see them all graduate and get a high degree.

The third interviewee is Madiha, a 50 year old woman who has 6 children, all of whom are married except for one. This woman, too, has been taking loans from AYB’s micro-finance program since 2005. She used her profits to educate and marry off her children. She explains the kind of work she does by stating:

“I work in manufacturing and selling glue. I started with a 300 EGP loan and now I take loans up to 8000 EGP.”
Madiha is very proud of her accomplishments. She manufactures her own glue and markets it in areas like “Saft El-laban”, “El Basateen” and “El-Sayyeda Zeinab”. She believes that, as a mother and wife, she has to help her family out and she confirms that AYB has given her this opportunity. When asked about what she has done with the money she earned and how this has affected her life, Madiha explained that she bought an apartment for her only son who recently got married, helped her husband in covering the marriage expenses of four of her daughters and is now preparing for the marriage of her last daughter.

Meanwhile, Afaf, a 46 year old mother of five, believes that, unfortunately, men are not very helpful, and that now women are the primary bread-winners in the family:

“Nowadays women are the only one carrying the responsibility”

Afaf had a small business before joining AYB; she worked in selling plastic items. However, because her husband is unemployed, she needed to make more money to cover the expenses of her family. She applied for a loan at AYB, took 5000 EGP and worked on diversifying her business. She illustrated the progress she has made by noting:

“I now buy and sell everything; washing machines, refrigerators, blankets, mobile phones and even furniture. But all my clients are from outside Ain El-Sira because insiders are trouble makers; they do not want to pay.”

In addition to supplying whatever is in demand, Afaf also learned how to choose her clients to guarantee the success of her business.
The statements made by these women are evidence that the NGO is truly flexible on criteria for accepting candidates in the micro-finance program. Obviously, when applying for the loans, these women did not have any source of income to guarantee repayment. However, as the micro-finance team confirmed, the NGO targets the most needy and is ready to offer loans even to those starting from scratch.

At the end of the interview, the women were asked about what they believe can facilitate their work. They all agreed that the high inflation rates are affecting their small businesses, but they also seemed to understand that nothing, at least for the time being, can change that. Despite the frustration they feel, their commitment and dedication to their work is inspirational.

In the other focus group, six women from the vocational training program were interviewed. Their ages also differ greatly, ranging from 27 to 45 years. These women were interviewed at the workshop where they were making a special order of black wigs for the Pharaonic Village. The first question they were asked was “What do you think of AYB?” The first answer was from Amira, a 45 year old married woman with no children. Amira affirmed that the NGO’s services covered almost all Ain El-Sira residents and that everyone has learned something from it:

“The majority of residents in Ain El-Sira have learned something or the other from this NGO. It was beneficial for us all. It taught us life skills like how to raise our children, it helped us find jobs, and taught us several handcrafts like sewing, making wigs and leather products.”
This quote, in consistency with quotes from other beneficiaries, emphasizes the efforts exerted by the NGO to provide its targeted community with the necessary services they need and expect. It is also supported by the different books and articles in the literature dedicated to highlighting the role of NGOs in the society.

After listening to the answer to this question from all interviewees who all agreed on the value of the skills they have learned from the NGO, they were all asked about the problems they face at their workshop. Once again, they all gave the same answer, which is marketing their products. They agreed that despite making professional handcrafts, they still find it difficult to market them and make them more appealing than other more competitive products. Hend, a 33 year old married woman with two children elaborated on this by explaining that the market in Ain El-Sira is almost saturated and that it is difficult to market their products outside of the area. Hend noted:

“We have a very limited market inside Ain El-Sira and in the outside market, when buyers know that these products were manufactured here, they want them for less than half the price, even though they are ready to pay the double for a less quality product made elsewhere.”

Therefore, it was proposed by all the women that the NGO makes more effort in marketing their products and finding the right buyers for them. Alternatively, they suggested that the NGO finds them better paying jobs. This brought up a question about what else the NGO can do to serve them better. Salwa, a 42 year old married woman with four children and a high degree complained about the “aid” that they used to receive but is no longer available. She exclaimed:
“In the beginning, the NGO used to provide a lot of aid for us but now they do not do this anymore. If I had a daughter and she was getting married, I would ask them for a fridge and they would buy it for her.”

This was the first statement throughout all the interviews that supported the lack of motivation and unwillingness to work brought up by Shahin and supported by the 2008 Egypt Human Development Report. It was somewhat paradoxical to hear this from an elder woman who is working to help her husband support their four children. On the other hand, it was still relatively justifiable as she explained why, especially after the January 25 uprising, they are in need for this aid:

“In the beginning, the NGO used to provide a lot of aid for us but now they do not do this anymore. If I had a daughter and she was getting married, I would ask them for a fridge and they would buy it for her.”

Sarah Saber, Vocational Training Program Head, who was attending this focus group, supported this opinion by explaining that after the revolution the morale of the beneficiaries “hit rock bottom” as their social and economic conditions worsened. Saber stated that unemployment rates increased, drug use became rampant and people became extremely discouraged. As a result, they strive for any means of aid that will help them cover their basic needs. Saber also admits that, even when they get a suitable job opportunity, the wages that these beneficiaries are offered for their work are not enough to cover their most basic expenses. More accurately, the wages they receive, in most cases, will not even cover transportation costs. Therefore, while not encouraging the defeatist approach that a few of the beneficiaries adopt, Saber believes that they should at least be given the benefit of the doubt.
To bring this section and, accordingly, the entire chapter to an end, it is a must to draw attention to the effort exerted by each and every team member in the NGO, even those who were not interviewed. It is also essential to shed light on the determination of the beneficiaries, despite the rough conditions they face, and their dedication to crossing the poverty lines and providing better lives for their children. Moreover, it is worth-mentioning that all the interviews, including the focus groups, highlighted the need for government intervention and emphasized the critical role the government has in several aspects of development. Consequently, the next chapter will provide a detailed description of the internal and external environments of the NGO in order to assess its strengths, weaknesses, opportunities and challenges and examine where the role of the government fits in this framework and how it may be enhanced.
Chapter Six

The SWOC Analysis

The interviews conducted for the purpose of this study highlighted the NGO’s strengths, weaknesses, opportunities and challenges. While not all the interviewees agreed on how each element is categorized, the majority had the same input. Additionally, by analyzing what the interviewees said, a few other points were inferred even though they were not clearly declared.

**Strengths:**

- The key strength of AYB-SD is its team, consisting of full-time staff members, board members and volunteers, who are all dedicated to the mission and are working hard to achieve it. They also have a lot of technical skills that enable them to carry out their jobs efficiently, and even more, recruit and encourage others to join. They are risk-takers and capable of adapting to difficult situations, and they are ready to change their plans if proved wrong. To describe this strength, Darwish explained that because the NGO is well-known, it is easy to make partnerships with the private sector and elicit cooperation from other NGOs:

  “We are very well-known among development implementers for our technical skills. We are all about impact.”

- The NGO’s management is also a strength that almost everyone agreed on. The friendly working environment, flexible working hours and adaptable conditions make it easy for employees to fit in and belong. This enhances productivity and loyalty among staff members and encourages them to reach their potential, and this is what El Safty explained during her interview:
In the same regard, Maher also stated that AYB’s team is its greatest strength:

“The working environment is very flexible. We do not care how many hours you work, or where from. All we care about is that you deliver.”

In the same regard, Maher also stated that AYB’s team is its greatest strength:

“We are very serious, very committed and we have a great level of integrity. We are also adaptable and open to making changes. We hit and miss, but we are always dedicated to our mission.”

- The wide volunteer base that this NGO has is also a strength. They provide new ideas, enthusiastic approaches and varied skills. They can also compensate for the relatively small number of full-time employees and guarantee that the NGO remains efficient and productive at all times. In this regard, AYB-SD defies the literature and particularly the idea of limited volunteerism which was presented in the 2008 Egypt Human Development Report as a social challenge. As explained by Salah, for example, the entire Education and Awareness program is based on volunteers, and so far it has covered more than half a million beneficiaries and is very successful.

- Strong networking and communication skills was also mentioned as a strength by a few interviewees, however, there was not enough evidence generated from the research to support this point in particular. On the contrary, it was, for instance, evident that throughout its years of work, AYB-SD has not managed to create effective relations with the government. Hence, this point will be presented later as a weakness.
Weaknesses:

Despite the positive spirit and strong morale that governs the relation between team members, and their obvious belief in and dedication to their goals, the fact that many of them could not think of any weaknesses to address is in itself a weakness, because there is always room for improvement and progress. And who would know better about what needs improvement than insiders? Accordingly, what is presented below are the very few weaknesses mentioned by interviewees, as well as others that were inferred from the research.

- First of all, it is difficult to categorize the capacity for networking as a strength. As mentioned earlier, the NGO has not yet, after more than ten years since its inauguration, developed strong relations with government offices it deals with regularly. Although the need for avoiding associations with religious and/or political figures or entities is understandable, however, a strong working relation with the government is still required for the NGO to be able to carry out its duties more easily and efficiently. This kind of relation can also open doors for advocating for certain rules and regulations, as a strong tie with the government will definitely entail a strong political voice. This can also be reflected as a weakness in management as they may not be making full use of their board members and/or their partnerships with the private sector.

- The next obvious weakness, which two interviewees agreed on, is the inability to market AYB’s cause and efforts efficiently which eventually leads to reduced funds. Darwish, Fundraising and Communications Manager, explained this by noting that:
Darwish was then asked to elaborate, as her statement seemed contradictory with an earlier one confirming that the NGO is well known. Therefore, she supported her statement by confirming that this is different from being well-known for technical skills. The majority of the public, she explained, would rather donate for a child who has heart disease than for AYB-SD. This is partially a challenge raised by cultural issues and partially a weakness, as the NGO does not market its cause more effectively. Darwish also owed this to attempting to avoid “commercializing” their services. However, she would still like to see a specialized marketing team in AYB-SD dedicated to publicizing its goal and spreading more awareness about its developmental projects.

- Another weakness is the lack of coordination between the different programs. This became clear when Fawzy, micro-finance Manager, said that he finds difficulties in reaching the beneficiaries, which was completely contradictory with what others confirmed. In that regard, Darwish also stated that the NGO needs a strong system and a set of coordination plans. Such a weakness, as well as others, can create serious problems for the NGO and lead to missed opportunities if not handled well.

**Opportunities:**

Interviewees were asked about what they see as potential opportunities for the NGO. Some of them agreed that, in the meantime due to political and economic instability, there are no obvious opportunities, while others were more optimistic and could identify a few. Nevertheless, it is worth mentioning that almost all of them agreed that relations
with other NGOs can act as a double-edged sword. Meaning that NGOs with the same vision serve as an opportunity, as they can help spread the model to other areas and expand the work, while those specialized in charity act as a challenge because they defy the main cause of AYB-SD.

- All program heads agreed that the current government resembles an opportunity as it focuses on development and especially women empowerment. For example, Darwish stated:

“The current government is for women empowerment and the majority of our targeted community is women and children. So this is a great opportunity for us.”

Additionally, Salah explained that the one opportunity for the NGO now is the inefficiency of the government and its inability to provide the people with their needs. This means that, on one hand, the government encourages development and, on the other hand, it is incapable of filling the need for developmental projects. Therefore, this constitutes a double opportunity for the NGO as it is supported by the government and at the same time the need for its services continues to grow.

- On another note, Fawzy viewed the large number of franchises of AYB-SD as an opportunity, as it can guarantee better networking, more funds, and more publicity. In spite of not achieving these goals yet, if well utilized, the management believes that franchises can be very constructive.
- Finally, a more optimistic interviewee affirmed that she views the government’s current call for foreign investment as an opportunity, as it may increase international funds and help sustain different projects.

**Challenges:**

Speaking of challenges, interviewees agreed that they are divided into 3 groups:

- **Economic:**
  
  The reduced funds, especially after the January 25 revolution, constitute a major challenge for all programs. Factors such as high unemployment rates, high inflations rates, low GDP and increased taxes led to a significant decrease in donations either from the private sector or from individuals. In turn, it affected the operations of the NGO in terms of the ability to provide loans, offer training programs and even cover industrial expenses.

- **Political and Legislative:**
  
  Post January 25 revolution, the unstable political conditions led to a decrease in international funds which affected the operations of the NGO. Furthermore, the government, as a legislator, enforced several laws that restrict the work of NGOs in Egypt and made their jobs harder. Several interviewees complained of bureaucracy, uncooperative and inefficient government officials and the problems they face as a result. Additionally, the inability of the government to address developmental issues, such as providing proper roads, health services and infrastructure, to a great extent hinders the efforts of AYB-SD and similar NGOs.
- **Social:**

The philanthropic cultural heritage, as well as the negative perception of change that Egyptians have had for the past few years, constitute a great challenge for NGOs. Many stakeholders are, until now, unaware of the difference between charity and development whether on the beneficiary level, the private sector level or the NGO level. In fact, in the mention of NGOs, charity is always expected. People are usually impatient and unwilling to wait for the long-term results of development, and they are rather allured by the immediate results of charity. Thus, the NGO faces pressure while executing its programs from private sector organizations, donors and beneficiaries.

It is clear that all the elements of the SWOC analysis interact and intertwine. What acts as a strength today, if not well preserved and maintained, can act as a weakness tomorrow. And today’s challenge can also be tomorrow’s opportunity. Internal and external conditions vary and change. Therefore, the NGO has to be well-aware of these changes so as to be able to overcome challenges and utilize opportunities. It should also look out for strengths that can turn into opportunities and/or weaknesses that can turn into challenges or even worse, into threats. For instance, if the NGO has a strong board of directors with good networking, then this can serve as an opportunity for marketing, fundraising, advocacy, lobbying and ideas for innovation. If, however, the board and the team members are not well-connected, this internal weakness can eventually act as a challenge when they realize that they do not have the necessary relations that will facilitate their job.
Chapter Seven

Conclusion and Recommendations

Conclusion:

As a result of conducting this study, it is concluded that NGOs can represent a clear example of transformational organizations as they possess all the main characteristics such as being role models, leading by example and working for the common good of the public. It is also concluded that NGOs have an essential and effective role in the Egyptian community and that they are struggling to fulfill the people’s need for services, such as education, health awareness and training, which the government is currently unable to provide.

Consequently, it is safe to say that the aggregate work of AYB-SD and similar NGOs can make an actual difference in the society, especially in terms of reducing poverty rates and inspiring social change. The very few beneficiaries interviewed throughout the period of this study are the greatest example of how such NGOs can contribute to changing lives. However, their input, along with the literature reviewed for the study, proves that NGOs cannot act as a substitute for the government, whose work covers providing broader and more critical services such as construction and infrastructure. It also proves that NGOs cannot succeed in serving their target communities without eliciting the government’s approval and its cooperation.

It is evident from the findings that NGOs have many points of strength that enable them to achieve their mission, such as dedicated team members, varied skills and experiences as well as flexible working conditions. However, it is also obvious that they face several challenges while attempting to achieve their mission. These include the
difficult political, economic and social conditions surrounding their work, the cultural barriers they have to break through, as well as the contradicting work of surrounding NGOs and private sector organizations that affect them. And even though it is necessary at times, the charitable activities of some NGOs or private sector organizations can constitute a threat to NGOs like AYB-SD, as they contradict their development approach and instead encourage philanthropy and dependency. On the other hand, the surrounding environment offers few opportunities for NGOs to grow such as the recent encouragement received from the current government and the massive need of the community for the services they provide.

As a result, the key conclusion that this study presents is that while NGOs are capable of development on the micro-level, macro-level social change and development requires serious and efficient cooperation between different parties including the government as a legislator and an implementer, the NGOs as leading agencies, and the private sector as a socially responsible party willing to finance projects, fund programs and also adhere to green and socially acceptable working conditions. Hence, recommendations are offered in the last and concluding section of this study, in an attempt to highlight the key aspects for improvement and enhancement.
Recommendations:

Based on the feedback of all interviewees as well as on the SWOC analysis, and in an attempt to enhance the development efforts of NGOs, the below recommendations were developed for both the NGO and the government:

- **Recommendations for NGOs:**

  1) It is highly recommended that NGOs create a network for lobbying, cooperation and communication among them in order to benefit from each other’s experiences and avoid wasting resources;

  2) NGOs must internally work on their weaknesses such as their ability to market themselves to the private sector and their ability to raise funds for their projects;

  3) Additionally, NGOs need to diversify their services to include providing training for private sector organizations and educating them about the value of development-based CSR. This can guarantee eliciting the cooperation of other partners, spreading the developmental approach adopted by NGOs and reducing the chance for engaging in charitable activities;

  4) What is also very essential is the need for improved relations with the government which will enable the NGOs to gain more credibility, lobby for certain rules and regulations and strengthens its advocacy role;

  5) Last but not least, it is suggested that NGOs, in cooperation with the Ministry of Social Solidarity, provide training to the different government offices associated with NGOs. This can help in spreading the concept of development and the set of values adopted by NGOs, and therefore, lead to more efficient and effective collaboration between them.

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- **Recommendations for the government:**

1) First and foremost, the government should work together with NGOs to spread the concept of development first among government offices and then in the society in general. This is bound to produce more efficient and effective results and elicit cooperation from all the different stakeholders;

2) Second, the government should adopt a more decentralized approach while dealing with NGOs and provide them with the necessary mandates and authorities that will enable them to carry out their duties efficiently;

3) Moreover, the government should also provide NGOs with the required access to public information so that they are able to map their efforts effectively;

4) It may also be suggested that, in collaboration with the NGOs, the government establishes an organization that is solely dedicated to coordinating the efforts of NGOs, dividing the work among them and designating them to certain areas or projects, each according to its area of strength. This could guarantee maximum utilization of efforts and resources and therefore maximum benefit to the society;

5) Furthermore, the government should create an enabling environment for NGOs by revisiting the laws and regulations governing their work and tailoring them to become more empowering rather than discouraging;

6) Last but not least, the government is also advised to make the best use of the potential of NGOs by publicizing their work both locally and internationally. This will give NGOs the credit they deserve, and at the same time emphasize their work and its prospective benefit to the Egyptian community as a whole.
References


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